

Message Text

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PAGE 01 KINSHA 02174 071045Z
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 OPIC-03 AID-05
XMB-02 INT-05 DOE-11 SOE-02 PA-01 USIE-00 CIAE-00
INR-10 NSAE-00 DODE-00 L-03 SS-15 NSCE-00 SSO-00
INRE-00 DOEE-00 /076 W
-----003470 071051Z /17

O 071020Z MAR 78
FM AMEMBASSY KINSHASA
TO SECSTATE WASHDC IMMEDIATE 8532
INFO AMCONSULATE LUBUMBASHI IMMEDIATE

LIMITED OFFICIAL USE KINSHASA 2174

E.O. 11652: N/A
TAGS: EMIN, PE, CG
SUBJECT: REPORTED PLANS TO CUTBACK COPPER PRODUCTION

REF: (A) STATE 56408, (B) LUBUMBASHI 106 & (C) 77 KINSHASA 12263

1. EMBASSY HAS BEEN IN CONTACT WITH VARIOUS GOZ AGENCIES INVOLVED IN COPPER PRODUCTION, MARKETING, AND EXPORT OVER PAST FEW WEEKS, AND TO BEST OF OUR KNOWLEDGE GOZ POSITION REMAINS AS STATED IN REF (C). ALTHOUGH GOZ HAS APPARENTLY AGREED TO A CUTBACK IN COPPER PRODUCTION WE BELIEVE THIS MORE A POLITICAL STATEMENT THAN A REAL PROPOSAL FOR A COURSE OF ACTION. IN DISCUSSIONS LAST THURSDAY, MARCH 2, WITH GECAMINES DIRECTOR UMBA AND FINANCIAL DIRECTOR ROCHER, UMBA REITERATED THAT PRODUCTION IN 1978 WAS EXPECTED TO ROUGHLY EQUAL 1977 LEVELS. HE MADE NO MENTION OF ANY PLANS TO CUTBACK PRODUCTION IN ORDER TO TRY TO PUSH UP PRICES.

2. IN VIEW OF ZAIRE'S INCREASING DEBT SERVICE NEEDS IT IS HIGHLY UNLIKELY THAT THE GOZ WILL BRING PRESSURE TO BEAR ON GECAMINES TO CUTBACK PRODUCTION, ESPECIALLY IF ONLY TWO PRODUCERS PLAN TO LIMIT THEIR PRODUCTION. WHILE
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PAGE 02 KINSHA 02174 071045Z

ZAIRE WOULD HAVE FOUND A REQUEST FROM ZAMBIA TO GO ALONG WITH THE PLAN DIFFICULT, IF NOT IMPOSSIBLE, TO REFUSE, WE CONSIDER THAT ANY "CUTBACK" TO WHICH THE GOZ MIGHT HAVE COMMITTED ITSELF WOULD BE IN TERMS OF CAPACITY RATHER THAN PRODUCTION. COMMENT: OBVIOUSLY, PRODUCTION CUTBACKS ARE A SENSITIVE SUBJECT, AND GOZ SPOKESMAN COULD HARDLY BE EXPECTED TO DENY PLANS TO IMPLEMENT SOMETHING TO

WHICH GOZ HAS ALREADY AGREED OR ON THE OTHER HAND TO
DETAIL PLANS TO CIRCUMVENT A CUTBACK PROPOSAL. END
COMMENT.

3. IN VIEW OF UMBA'S STATEMENT AND OTHER INFORMATION
AVAILABLE HERE EMBASSY CANNOT AGREE WITH STATEMENTS MADE
IN THE WSJ ARTICLE THAT PRODUCTION WOULD HAVE FALLEN IN
ANY CASE. IN ADDITION, WE HAVE NO INFORMATION THAT WOULD INDICATE
THAT THERE HAS BEEN AN INCREASED EXODUS OF EUROPEAN
TECHNICIANS FROM THE MINING AREAS IN ZAIRE AS THE
ARTICLE REPORTED.

4. FOR LUBUMBASHI: REF (A) BEING REPEATED TO YOU
SEPARATELY FOR ANY ADDITION COMMENTS/INFORMATION YOU
MIGHT HAVE. PLEASE REPLY DIRECTLY TO DEPT. WITH INFO
COPY TO KINSHASA.
CUTLER

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Message Attributes

Automatic Decaptioning: Z
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Concepts: COPPER, PRODUCTION
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Draft Date: 07 mar 1978
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Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
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